

**Secret**

25X1



State Department review  
completed

DIRECTORATE OF  
INTELLIGENCE

# WEEKLY SUMMARY

**Secret**

**47**

20 October 1967  
No. 0312/67

4 BOX 784927A JOB

IMMEDIATELY AFTER USE

RETURN TO RECORDS CENTER

61-228533

25X1

Approved For Release 2007/03/08 : CIA-RDP79-00927A006100020001-4

Approved For Release 2007/03/08 : CIA-RDP79-00927A006100020001-4

C O N T E N T S

(Information as of noon EDT, 19 October 1967)

Far East

	<u>Page</u>
THE WEEK IN PERSPECTIVE	1
VIETNAM	3
North Vietnamese forces have resumed large-scale offensive activity in South Vietnam's northernmost province following a two-week lull. In Saigon, the newly installed upper legislative house has quickly settled down to business and there are signs that popular interest in the forthcoming lower house elections has picked up.	
VIOLENCE INCREASES IN HONG KONG	5
Communists in the colony apparently believe their terrorist attacks against security forces will have a cumulative effect in weakening public confidence in the government.	
MILITARY ACTIVITY IN LAOS INCREASES	6
The Communists have recently stepped up their military pressure in northern Laos but do not appear to be planning a major offensive.	
CULTURAL REVOLUTION REMAINS IN LOW GEAR	8
The drive to restore order is now in the seventh week and there are signs the Cultural Revolution is being transformed into a moderate "study" movement dominated by the military.	

Europe

THE WEEK IN PERSPECTIVE	11
USSR STEPS UP COMMENTARY ON ABM ISSUES	12
Public Soviet responses have attempted to deal cautiously with some of the substantive issues involved in Defense Secretary McNamara's announcement of the US decision to deploy a thin antiballistic missile (ABM) defense system.	

SECRET

SECRET

NEW SOVIET MILITARY BUDGET AND MILITARY SERVICE LAW 13  
Not all of the 15-percent increase in the military budget will be translated into real gains in capability. The military service law shortens conscriptees' tour of duty and revises retirement procedures.

HARMEL STUDIES PRESENTED TO NATO MEMBERS 14  
The four studies concern East-West relations, inter-allied relations, the general defense policy of the alliance, and developments in regions outside the NATO area. NATO governments now are considering what recommendations they can endorse.



25X1

RUMANIA PLANS ECONOMIC REFORM 15  
The effect of the program, like those in the other Eastern European countries, will be to reduce the role of central state organs in the day-to-day operations of industry.

FINNISH COMMUNISTS MOVE TOWARD MORE LIBERAL ORIENTATION 17  
The party, long controlled by archconservatives who have bitterly resisted moves to de-Stalinize, has taken a major step toward a break with the past.

SECRET

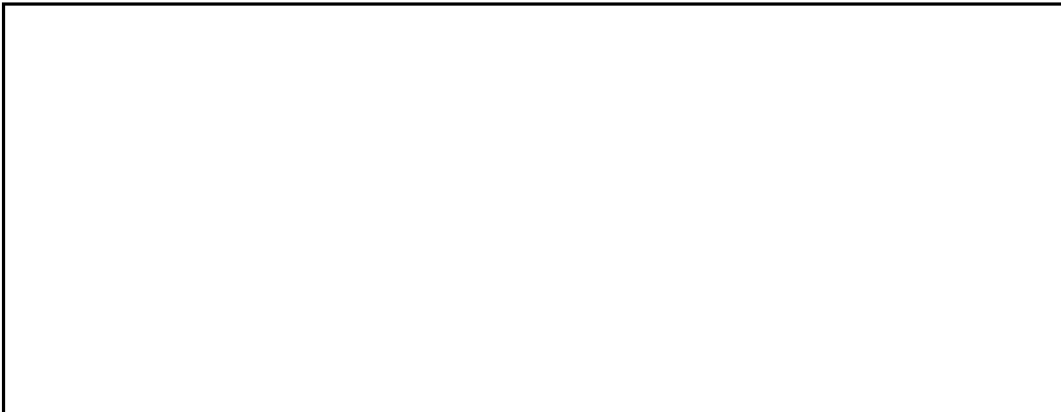
Middle East - Africa

THE WEEK IN PERSPECTIVE	19
TERRORIST ACTIVITIES CONTINUE AGAINST ISRAEL These activities have increased the pressure on Tel Aviv to consider some sort of retaliatory action against Jordan and Syria.	20
NEW SESSION OF TURKISH PARLIAMENT MAY BE STORMY The Turkish Grand National Assembly, which reconvenes on 1 November after a three-month recess, must deal with several controversial issues, some of which were held over from the last session.	21
NIGERIA'S CIVIL WAR INTENSIFIES IN HEAVY FIGHTING Biafran resistance has slowed the federal advance into the Ibo heartland and has produced the heaviest fighting to date in the Nigerian civil war.	22
GOVERNMENT CHANGES IN AFGHANISTAN The appointment of a new prime minister to succeed the ailing Maiwandal is not expected to result in any major changes in foreign and domestic policies.	24

Western Hemisphere

THE WEEK IN PERSPECTIVE	25
EFFECTS OF "CHE" GUEVARA'S DEATH Guevara's death in Bolivia is a serious blow to Cuban-sponsored insurgents throughout Latin America. Despite this and recent setbacks elsewhere, however, Cuba will not abandon its policy of exporting revolution.	26

SECRET



25X6

POLITICAL AND ECONOMIC DEVELOPMENTS IN URUGUAY

27

The government is continuing its hard line against labor and there are some indications that a new economic policy is in the making.

SECRET

SECRET

## FAR EAST

The drive to restore order in China is now in its seventh week and shows no signs of losing momentum. Peking has taken new steps to defuse the Red Guards and reshape the governmental and party chain of command.

Some Red Guard activists are being shipped out of the cities to agricultural jobs in such remote places as Inner Mongolia, and others are being sent back to school. Classes have reopened in many areas. The battered cadre system is apparently to play a significant role in the "re-indoctrination" of Red Guard youth--a striking reversal of the line pushed at the height of the Cultural Revolution, when Red Guards were ordered to reform cadres.

The trend toward moderation continues to carry over into Chinese foreign relations. Peking cautiously avoided comment on incidents in Hong Kong, where there was a sharp increase in terrorism last week during the visit of a senior British official.

After a two-week lull, Communist forces in South Vietnam have resumed large-scale action against US Marines in the Demilitarized Zone area. On the political front, several North Vietnamese diplomats abroad have recently underscored in private statements Hanoi's adamant insistence on an unconditional cessation of the bombing before any US-DRV talks could be considered. They indicated that any talks would not concern affairs in South Vietnam.

25X1

SECRET

[illegible]



SECRET

## VIETNAM

North Vietnamese (NVA) forces resumed large-scale offensive activity in northeastern Quang Tri Province this week following a two-week lull. On 14 October, an estimated NVA battalion launched a coordinated mortar and ground assault against US Marine positions near Con Thien. The attacking force--identified as the 3rd Battalion, 101st Regiment of the NVA 325th Division--was forced to withdraw after three hours of fighting, leaving 24 dead. American casualties totaled 41, including 21 killed.

Along with ground activity, the tempo of enemy mortar, rocket, and artillery fire against allied positions near the Demilitarized Zone (DMZ) was also stepped up. The rate of the shellings has not approached September's massive barrages, but as many as 300 rounds were fired in a two-day period early in the week.

Elsewhere in I Corps, eight US Army battalions conducting two search-and-destroy operations along the coastal area northwest of Tam Ky near the Quang Nam - Quang Tin province border, last week killed more than 300 enemy soldiers, bringing cumulative enemy casualties in these operations to nearly 1,000 since mid-September.

North of Saigon in the Binh Long - Binh Duong province border area, elements of the Viet Cong 271st Regiment, a subordinate of the Viet Cong 9th Infantry Division,

staged a regimental-size attack on 17 October against a US company patrol. In the resulting eight-hour battle, following reinforcement of the US unit, 103 enemy soldiers were killed, while the US lost 58 killed and another 61 wounded. This is the largest engagement in South Vietnam's III Corps since last spring and the first significant departure from the evasive tactics employed by Communist forces there throughout the summer rainy season.

Meanwhile, in an area some 30 miles east of Saigon, in northwestern Phuoc Tuy Province, patrols of the US 9th Infantry Division have discovered a multilevel complex of tunnels and storage areas containing more than 1,000 rifles and 100 crew-served weapons--including four US-made 75-mm. pack howitzers--plus a vast quantity of ammunition and medical supplies. The weapons could equip a regimental-size enemy force. Documents found in the cache identify the installation with a Rear Services Group which serves the 274th and 275th regiments of the Viet Cong 5th Division. These units have traditionally operated in the Phuoc Tuy - Bien Hoa - Long Khanh province area.

Political Developments

The newly installed South Vietnamese senate has quickly settled down to productive work. Committees to handle its administrative affairs and to formulate internal working rules have already been set up.

SECRET

Vo Van Truyen, oldest member of the upper house, was selected as temporary chairman, but de facto control has fallen to Catholic layman Tran Van Lam, who is being strongly promoted for the post of permanent senate chairman. Two other contenders are nominal Buddhist Tran Van Don, whose ten-man slate polled the largest vote in the recent election, and Nguyen Van Huyen, another prominent Catholic leader. Don's chances of being selected remain good because many senators wish to avoid possible Buddhist protests over disproportionate Catholic influence in the upper house.

The formation of the first political bloc in the upper house--the National Democratic Socialist Bloc--was announced on 10 October by retired General Huynh Van Cao, leader of a Catholic-supported list, and Nguyen Gia Hien of the Catholic Greater Solidarity Forces. So far, the bloc lists only seven members, but its leaders hope to attract at least 20 others which would give them a near majority in the 60-man upper house. The bloc's platform is a relatively vague program espousing the establishment of a progressive society and a democratic government. According to Senator Don, it is unlikely to attract much support outside of the slates of Cao and Hien.

Lower house elections will take place on 22 October. Reports indicate that electorate interest has picked up in what has been a color-

less campaign until this week. Because of the large number of candidates (1,240 for 137 seats), voters are likely to be confused and in the end may be swayed by a few effective campaigners.

#### Hanoi on Negotiations

North Vietnam's stiff line on negotiations--the demand that an unconditional cessation of the bombing must precede any US-DRV talks--was underscored in recent days in private statements by North Vietnamese diplomats in several countries. Some of the diplomats were more forthcoming at the same time in describing what would follow a bombing halt indicating that Hanoi continues to envisage such "talks" as preliminary to actual negotiations and as having to do only with US - North Vietnamese relations and not the situation in the South. 25X1

SECRET

## VIOLENCE INCREASES IN HONG KONG

Militant Communists have recently stepped up their terrorist attacks against the Hong Kong security services--the prime target of their campaign to erode British authority. The Communists apparently believe their harassment will have a cumulative effect in weakening public confidence in the government.

The sharp increase in terrorist activity last week was apparently timed to coincide with the visit of the British minister of commonwealth affairs. In their recent attacks the Communists demonstrated greater coordination and control, drawing the police to locations where bomb throwing militants were lying in wait. Although police discipline remains good, prolonged terrorism and the government's reluctance to pay for additional life insurance for policemen is likely to erode morale.

At the frontier sporadic violence continues to be directed against security forces. Hong Kong authorities closed a bridge on the border with Communist China where Chinese farmers abducted a British police inspector on 14 October. Three other policemen have been seized by the Chinese in the past two weeks. Peking, however, remains cautious and has avoided comment on any of the recent incidents.

\* \* \*

SECRET

SECRET

## MILITARY ACTIVITY IN LAOS INCREASES

The Communists have stepped up their military pressure against strategic government areas in northern Laos. It does not appear, however, that any major military offensive is planned.

In the Nam Bac area, the enemy has been harassing the government's outlying defensive positions around the bases guarding the northern approaches to the royal capital at Luang Prabang. On 12 October, the Communists inflicted heavy casualties on two government battalions southeast of Phou Kou--a strategic hill overlooking the Nam Bac airstrip. The loss of this hill would seriously undermine the government's base at Nam Bac. The airstrip at Nam Bac itself was apparently attacked on 15 October, but it is still open.

Although the Communists would almost certainly like to retake the area from the government, it is doubtful that they presently are willing to take the substantial losses a direct assault on Nam Bac would entail.

The enemy's recent attacks have upset plans for a government offensive to relieve the pressure on Nam Bac, but army leaders in Vientiane appear determined to retain control of this base. Reinforcements have been moved into the area from southern Laos and at least nine government battalions are now strung out in the surrounding hills.

Farther south, Communist forces attacked a government battalion approximately ten miles east of Luang Prabang on 7 October and forced it to withdraw after five hours of heavy fighting. The positions were reoccupied later but the enemy's action forestalled a government sweep into an area where increased enemy activity has been reported.

The Communists also mounted attacks near Muong Ngan, south-east of the Plaine des Jarres last week, in an apparent reaction to a recent government offensive in the area. Muong Ngan has been reinforced and counterattacks to relieve enemy pressure against the position are scheduled to get under way shortly.

25X1

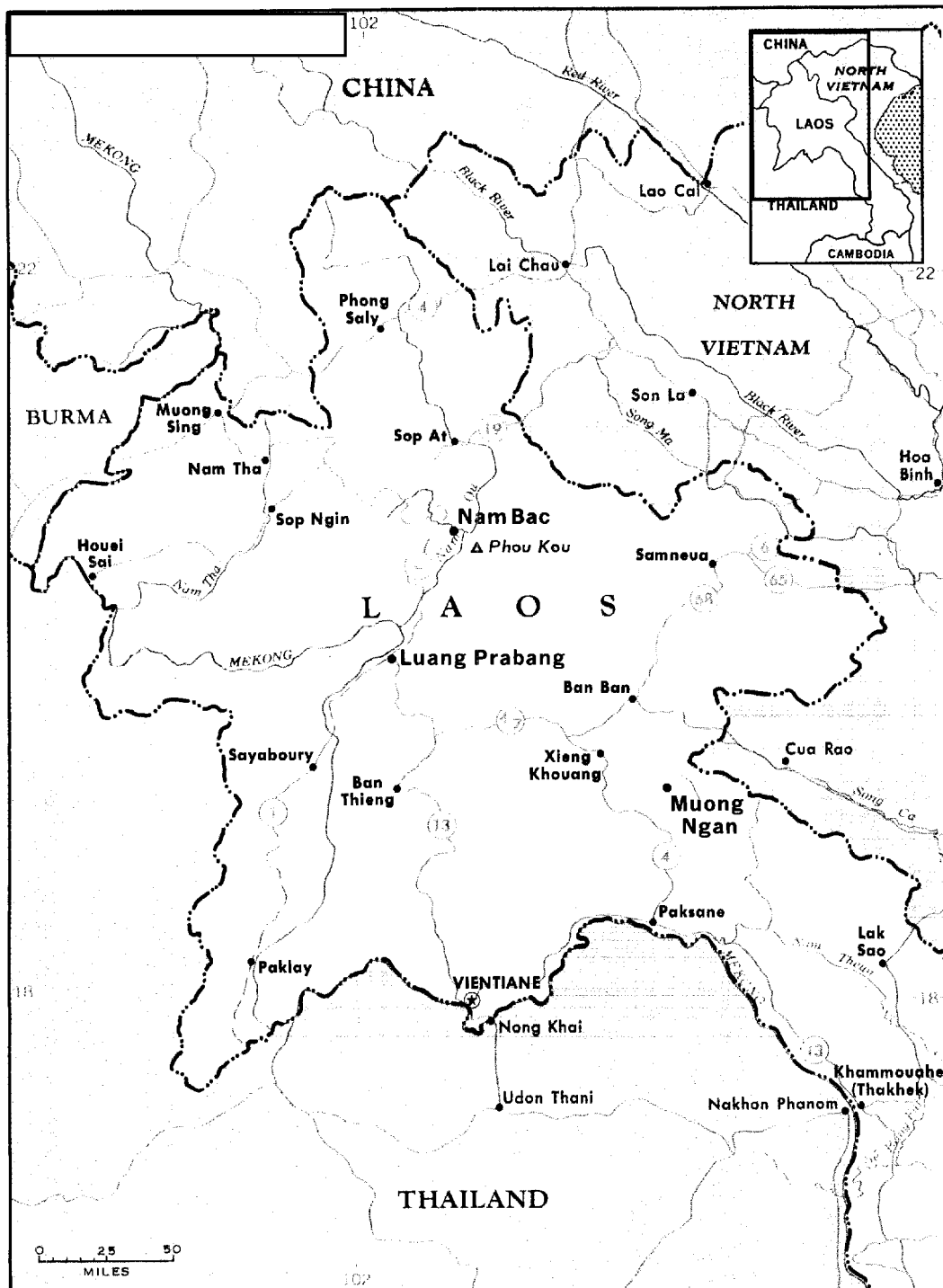
\* \* \*

SECRET

SECRET

Approved For Release 2007/03/08 : CIA-RDP79-00927A006100020001-4

25X1



68362 10-67 CIA

Approved For Release 2007/03/08 : CIA-RDP79-00927A006100020001-4

SECRET

## CULTURAL REVOLUTION REMAINS IN LOW GEAR

Although sporadic violence is still reported in some parts of China, the drive to restore order is now in its seventh week and is maintaining its momentum.

Wall posters have reappeared for the first time since 1 October but their attacks are concentrated on Wang Li, a radical member of the Cultural Revolution group who has been in hot water since early September. Peking has taken new steps to defuse the Red Guards, and Mao's latest "instructions," publicized on 17 October, suggest that the Cultural Revolution is being transformed into a moderate "study" movement dominated by the military.

An effort to rid the urban centers of Red Guard activists and "drifters" is apparently under way. Radio Peking announced on 12 October that large numbers of "intellectual youths," many of whom were probably involved in Red Guard activities, had arrived in Inner Mongolia to take part in agricultural tasks.

Other Red Guards are being sent back to school. Classes are apparently beginning again in many areas of the country, with the "thought of Mao Tse-tung" the principal subject of study. A People's Daily editorial on 13 October called for "reindoc-

trination" of the Red Guards and stated that regular cadres were to be used to overcome "bourgeois ideas" among the youths. This is a turnabout from the line pushed at the height of the Cultural Revolution, when the Red Guards were ordered to reform the cadres.

The emphasis on the role of the battered party apparatus may indicate that Peking is attempting to construct new governmental machinery from the wreckage of the party and bureaucracy. Important leaders, who were frequently referred to at the height of the Cultural Revolution merely as "responsible officials," are now generally identified in the press and radio by a full list of their functional titles. References to the Communist Party itself have also become more frequent.

Mao's surky "instructions," circulated throughout China on 17 October, stress the importance of forming "revolutionary great alliances" within existing organizations. This is similar to the line taken during the period of moderation in February and early March when Peking admitted that disorders had resulted when members of the same organizations belonged to different revolutionary groups.

The latest directive was addressed to revolutionary committees, military control groups,

SECRET

regional military commands and military districts. It was to be relayed to all mass organizations which were enjoined to move cautiously taking local conditions into consideration.

According to another broadcast on 17 October the Military Affairs Commission of the party recently issued a notice spelling out the army's role in carrying out Mao's new orders, which the notice said, had been first issued during his tour of the prov-

inces in mid-September--"at the hour of decisive victory."

Military unit party committees at all levels were directed to hold special conferences at which the lessons learned during the "previous stage" of the Cultural Revolution were to be summed up, and new measures worked out to push the movement forward to a "new stage." Certain army units were directed to go "deep down" in factories, rural areas, and schools to publicize Mao's instructions among the masses and to "study together with them."

25X1

\* \* \*

SECRET

Approved For Release 2007/03/08 : CIA-RDP79-00927A006100020001-4  
SECRET

\* \* \*

SECRET

Approved For Release 2007/03/08 : CIA-RDP79-00927A006100020001-4



## EUROPE

Britain's bid for membership in the European Communities will be debated in the EC Council early next week. Although the Commission has recommended, and the Five favor, early negotiations with the British, the French are expected to press for further deliberation among the Six. Vice Chancellor Brandt's talks with French Foreign Minister Couve de Murville this week have led to speculation that Bonn--which presently holds the Council chairmanship--may be willing to postpone a decision on negotiations at least until later this year. The British, meanwhile, will presumably advocate their case for entry to Chancellor Kiesinger, whose visit to London coincides with next week's Council meeting in Luxembourg.

In Berlin, the Soviets once again protested to the Western allies against the meeting of West German Bundestag deputies in the city this past week. For the first time the protest was delivered formally and for the record, but there has been no harassment as in years past. The Soviets are interested in keeping European problems, including Berlin, out of contention at this time. A Soviet space probe successfully reached Venus and transmitted scientific data as it descended through the planet's atmosphere.

25X1

SECRET

## USSR STEPS UP COMMENTARY ON ABM ISSUES

Public Soviet responses have attempted to deal cautiously with some of the substantive issues involved in Defense Secretary McNamara's announcement of the US decision to deploy a thin antiballistic missile (ABM) defense system.

A political commentator writes in the 11 October issue of an important Soviet weekly newspaper that the US administration's announcement constituted a concession to the ABM lobby. The writer also contended that the decision was prompted mainly by domestic political concern and by a fear that there might otherwise be accusations that an "ABM gap" had been permitted to develop.

By emphasizing the significance of the ABM issue for US domestic politics, specifically on the question of who will hold office, this article not only informs the Soviet reader about the degree to which pressures in the US for ABM deployment grow out of the USSR's own ABM program, but also offers some clues as to the manner in which the USSR's ABM policy is being hammered out.

The article also asserts that the US is likely to follow through to full-scale deployment, which in turn could give it the illusion of nuclear invulnerability and thus encourage a policy of nuclear blackmail. Earlier Soviet commentaries suggested that the US decision was likely

to be the forerunner of an enormously expensive and largely fruitless escalation of the arms race. The potentially unsettling effect of full-scale ABM deployment, however, in lessening the nuclear powers' restraint in generating and dealing with international crises, had hitherto been ignored in public Soviet pronouncements.

Soviet commentaries have stressed the enormous cost of ABMs--\$50-100 billion was the cost figure used most recently. They have described an ABM race as an "essentially useless escalation of expenditures in money and resources for armament" offering little additional security to those embarking on that course. All of the arguments raised in the discussions of the US decision seem to reflect the views of elements in Moscow who would prefer arms negotiations to a new arms race.

Military publications such as Red Star--the sources most likely to reflect the military's opinion which, on balance, probably favors full-scale ABM deployment--have remained silent. Defense Minister Grechko, however, may have suggested the military's viewpoint in his speech to the Supreme Soviet on 12 October.

At that time, he warned that "imperialism" has not changed its aggressive tendencies and that "US ruling circles, behind a screen of talks about peace and cooperation, are stepping up military preparations against the

SECRET

USSR and other socialist countries...." Although this was as close as Grechko got to the ABM issue, his remarks about US intentions could well have been intended to voice the military's opposition to talks about limiting the arms race.

Secretary McNamara's reference to the threat from China and his invitation to the USSR to join in strategic arms negotiations have so far evoked no comment from Moscow. The silence of the Soviet press on these points

may result in part from the regime's reluctance to discuss in public sensitive issues from which the population has been shielded.

It is also probable, however, that the regime believes the US decision leaves the door open for talks, and is unwilling or unable to commit itself. Nevertheless, in Moscow's public responses thus far, there is a hint that elements favoring negotiation are doing the writing.

25X1

## NEW SOVIET MILITARY BUDGET AND MILITARY SERVICE LAW

Not all of the recently announced 15-percent increase in the Soviet military budget for 1968 will be translated into real gains in military capability. Part of the rise may reflect changes in prices and accounting procedures.

The Soviets also have stated that expenditures for science will grow 11 percent next year. Some of this gain probably will be allocated to military projects.

Estimated defense outlays for 1967--including five or six billion rubles not funded through the defense budget--are expected to exceed 20 billion rubles. This includes the space budget and is equivalent to about \$55 billion.

Some strategic missile programs, fighter and transport aircraft procurement, and research and development of new weapons almost certainly will receive larger budgets next year.

The USSR also has approved a new military service law that reduces the typical conscript's service from three years to two. It also raises the compulsory retirement age for company and field grade officers and requires most general officers to retire between the ages of 55 and 60.

The new law is to take effect on 1 January 1968. The changes should lead to the retirement of a large number of men now occupying important positions in the Defense Ministry and should provide greater

SECRET

opportunities for younger men. The new provisions should improve morale among younger officers and may encourage those with technical skills to remain in the service.

The size of the armed forces probably will not be affected by the provision reducing the

period of compulsory service. The greater number of men in the groups now reaching draft age will serve a shorter time. In order to reduce the impact of these larger annual call-ups on force readiness, conscripts will be mobilized in two phases each year, rather than in one, as was practiced previously.

25X1

## HARMEL STUDIES PRESENTED TO NATO MEMBERS

The four NATO studies constituting the Harmel exercise--named for the Belgian foreign minister who suggested it--were delivered to Secretary General Brosio on 11-12 October for formal consideration by the NATO members. NATO governments are now considering what recommendations made by the studies they can endorse, bearing in mind the probable negative attitudes of France.

The four studies concern East-West relations, including the problem of divided Germany, interallied relations, the general defense policy of the alliance, and developments in regions outside the NATO area.

Each topic has been the responsibility of a separate group which has met periodically during the past six months. All 15 NATO countries were rep-

resented in each group, and each country has been free to make suggestions regarding the final report. Authority for accepting or rejecting suggestions, however, has rested with the group rapporteurs. The rapporteurs have not been required to clear their work in detail with their home government and it remains to be seen how much of the substance of the reports will win general approval.

The purpose of the Harmel studies is to promote new vitality in NATO by giving it new tasks especially in forwarding East-West detente. The rapporteurs and their groups were encouraged to be imaginative. As it has become increasingly clear that the French Government has little sympathy for the studies, the rapporteurs have become insistent that their reports be submitted in their original form to the

SECRET

SECRET

North Atlantic council. The Dutch rapporteur feared that a general summary would result in watering down the several reports. The West German rapporteur, on the other hand, believed a summary might make it more difficult later to soften positions irritating to the French. When the studies were delivered to Secretary General Brosio, a summary was prepared, but the rapporteurs prevailed on Brosio to explain in a letter to the Council that they assumed no responsibility for it. The range of potential reactions among NATO members to objections the French may raise thus remains wide.

Although generally pleased by the studies so far, Brosio is not optimistic about probable French reactions. He believes, however, that working for agreement is worthwhile even if France ac-

cepts only one or two of the conclusions.

Brosio now is considering trying to get a minimum agreement with the French in subministerial meetings in the next few weeks, in anticipation of the regular ministerial meeting in December. He would continue study on unagreed issues afterward.

The report on the general defense policy of the alliance is relatively noncontroversial. Major difficulties are probable with respect to the studies on inter-allied relations and on developments outside the NATO region. In both cases objections are expected to proposals for greater coordination of the policies of NATO countries.

25X1

25X1

## RUMANIA PLANS ECONOMIC REFORM

Rumania has decided to embark on a program of economic reform similar in design to those now being carried out in the other Eastern European countries. The leaders of the regime have de-

cided to go beyond tinkering with the existing system of planning and management and to make broad changes in industry, trade, banking, and the wage and salary structure.

SECRET

SECRET

The new measures will transfer to new intermediate organs much of the responsibility which economic ministries and other central state organs now exercise over day-to-day operations of industry. The central organs will, however, continue to set the major guidelines for economic development and to bear ultimate responsibility for the fulfillment of plans.

As in all the Eastern European countries, except Hungary, the responsibilities being taken away from the ministries are being transferred not to individual enterprises but to new economic units interposed between the ministry and enterprise levels. These new units, to be called "industrial centrals," will comprise groups of enterprises and will assume some of the planning and management functions previously exercised at the central government level. They also will have substantial responsibility for the conduct of foreign trade. The managements of individual enterprises will also have a greater measure of independence in the conduct of operations.

The draft program also proposes the elimination of budget subsidies to cover enterprise losses, a reduction in the role of the budget in providing enterprises with operating funds, and a greater reliance on the enterprises' own funds and on bank loans for enterprise investments. Some decentralization of price setting is contemplated, and wholesale prices are to be based on costs and reflect the relative

scarcities of some raw materials. More contracting directly between producers and buyers has been recommended.

Incentives for administrators and employees will be increased, and a closer relationship is to be established between performance and remuneration. The regime also plans to establish new specialized banks for industry and commerce, agriculture, and foreign trade. Some of these innovations have already been put into effect on a limited or experimental basis.

The Rumanians cite the need to maintain rapid economic growth, to improve efficiency, and to adapt to modern scientific and technological advances as the reasons for proposing new methods. In doing so, they are not facing any immediate difficulties in continuing to achieve rapid economic growth. They are looking ahead several years in anticipation of increasing difficulty in maintaining the rapid growth of industrial production and of the exports necessary to help finance imports of advanced equipment and industrial materials.

The measures are scheduled to be discussed and evaluated by a special national party conference in early December, and presumably will be promulgated by the Grand National Assembly later in the month. No schedule for introducing the new measures has been laid down, however, and the government will move cautiously in the tasks of implementation.

25X1

SECRET

SECRET

## FINNISH COMMUNISTS MOVE TOWARD MORE LIBERAL ORIENTATION

The Finnish Communist Party (FCP), long controlled by arch-conservatives who have bitterly resisted moves to de-Stalinize the party, has taken a major step toward a break with the past.

At a meeting of the party Central Committee last month, a majority of the members overrode the opposition of the old guard and approved a draft party program which commits the FCP to "peaceful transition to socialism." The question of whether the FCP should seek power by the parliamentary route or by violent means has been the subject of bitter debate in recent months between the liberal faction and the old guard.

During the meeting, the old guard also renewed its attack on Communist participation in Social Democratic Prime Minister Paasio's coalition which has been in power since May 1966. They also lashed out at the FCP leadership for its decision to support President Kekkonen in his bid for re-election next February without exacting concessions.

In their continuing struggle with the conservatives, the liberals have had the strong backing of Moscow, which has sent a number of ranking ideologists to Helsinki during the past year or so to encourage moves toward change. These officials have stressed to the FCP leadership the importance the Soviet party attaches to continued Communist participation in the Finnish Gov-

ernment. This is considered an example to other countries in Western Europe where Communist or neo-Communist parties hold the balance of power.

The relatively passive and restrained role played thus far by the Finnish Communists in the government suggests that both the FCP and Moscow are anxious to disarm critics both in and outside Finland who remain unconvinced of the sincerity of the commitment of Communists to the democratic process. The FCP, as one of the Communist parties in Western Europe commanding mass support, has up to now been the lone holdout on the issue of publicly espousing peaceful transition. (The FCP's electoral front organization has consistently polled some 20-25 percent of the popular vote in postwar elections.)

In view of the continuing economic problems the Paasio government faces and the need to adopt belt-tightening measures, the Communist liberal faction will be increasingly hard-pressed to persuade the rank-and-file of the benefits to be gained by remaining associated with the government and its policies. The FCP may have trouble, for example, as a result of the government's decision last week to devalue the finmark, a step which will hit industrial workers harder than any and which is likely to give the old guard Communists additional ammunition in their struggle with the liberals.

25X1

25X1

SECRET

Approved For Release 2007/03/08 : CIA-RDP79-00927A006100020001-4  
SECRET

\* \* \*

SECRET

Approved For Release 2007/03/08 : CIA-RDP79-00927A006100020001-4  
Page 18 WEEKLY SUMMARY 20 Oct 67



## MIDDLE EAST - AFRICA

Political instability continues to plague many of the governments in the area.

As the Egyptian evacuation in Yemen proceeds, President Sallal's position grows more precarious. The make-up of Sallal's new cabinet reveals a lack of faith among republicans in the survival of any regime identified with Cairo. More and more Yemenis are writing off the republic as a lost cause, and the royalists are reportedly preparing for a massive assault on major towns.

In South Arabia, prospects for political stability are still very dim. London hopes to complete its withdrawal by 20 November, but the final phase cannot be carried out until the new coalition government agrees to final arrangements for independence.

Continued Arab terrorist activities against Israel may force Tel Aviv to take some retaliatory action against Syria and Jordan. King Husayn, meanwhile, has in effect refused to talk with the Israelis on joint control of terrorist movements.

In India, another state is on the brink of political disaster. The resignation of leftist ministers from the governing coalition of Uttar Pradesh leaves the chief minister without a dependable majority in the assembly. The regime, like that in West Bengal, remains in office primarily because the opposition cannot close ranks.

In Africa, the military junta in Sierra Leone continues at odds with its leader, Juxon-Smith.

25X1

25X1

In the Nigerian civil war, federal forces have made a new amphibious landing on the Biafran coast, but elsewhere Biafran resistance has stiffened. Some of the heaviest fighting of the war took place this week.

25X1

SECRET

## TERRORIST ACTIVITIES CONTINUE AGAINST ISRAEL

Continued terrorist activities in Israel and in the occupied Arab territories have increased the pressure on the government to consider some sort of retaliatory action.

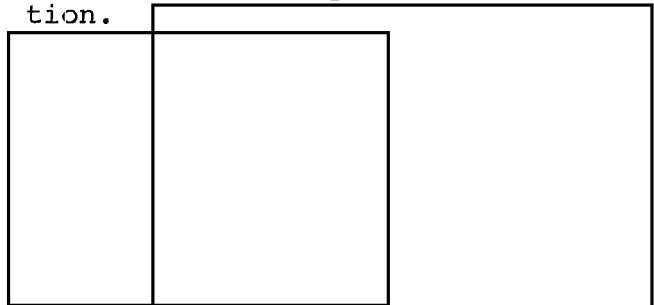
Israeli officials have implied that they might have to strike at Jordan. This, however, may be a feint to cover a move aimed at the Syrians, whom the Israelis hold chiefly responsible for aiding and training the terrorists. If the Israelis undertake a cross-border military strike, it could include ground forces as well as air strikes because the Israelis now hold more favorable terrain vis-a-vis the Syrians than they did before the June war.

King Husayn, meanwhile, has in effect rejected an Israeli request for a meeting of Israeli and Jordanian senior military commanders to discuss means of preventing the movement of terrorists into Israeli-controlled territory. The Jordanians fear that if they agree to the request, they would be accused of collaborating with the enemy. The Jordanians have not said "no" outright, fearing that such a re-

fusal might provide the Israelis with a pretext for punitive action on the grounds that the Jordanians were unwilling to cooperate.

In pushing for such a meeting, the Israelis are probably looking for a direct contact which might eventually lead to bilateral peace talks. They have long felt that their best chances for a "settlement" lay in this direction.

25X1



In an effort to force the King to agree to a meeting, the Israelis probably will further restrict movement across the Jordan River and take much tougher action against those whom they catch in the act. If provoked far enough, the Israelis might even undertake operations against Jordanian villages harboring terrorists, despite the outcry this could create in the United Nations.

25X1



25X1

SECRET

SECRET

## NEW SESSION OF TURKISH PARLIAMENT MAY BE STORMY

The Turkish Grand National Assembly, which reconvenes on 1 November after a three-month recess, must deal with several controversial issues, some of which were held over from the last session.

The ruling Justice Party, headed by Prime Minister Demirel, is expected to push some highly controversial legislation which is bound to face sharp but largely ineffective opposition. Some members of the opposition, frustrated by having little or no influence in the governing process, have expressed doubt that Turkey is ready for parliamentary democracy. Some in the military, never reconciled to the return to parliamentarism after the 1960 coup, would prefer autocratic rule.

Demirel's priority legislation probably will include measures to restrict the disruptive activities of the "left." Any legislation to curb the "left" will run into vociferous opposition from leftist elements in the press, labor, and among the politically active students, as well as from the Marxist Turkish Labor Party.

Demirel also hopes to pass a long-pending amendment to the electoral law, which would eliminate the cumbersome "national remainder" system which favors the minor parties. Debate on this issue two years ago led to a lengthy filibuster and even raised the possibility of new military intervention. The government finally shelved the bill, but it is determined to pass the measure prior to the next assembly election.

The government may also advance the date of the national depu-

torial election from 1969 to coincide with the senatorial and local elections scheduled for 1968. The Justice Party probably feels confident that it could increase its majority in the lower house as well as clear out some deadwood among its members in an earlier election.

The government also may have to re-enact most of the legislation passed during the last session of the assembly. There is speculation that the Constitutional Court may rule, on procedural grounds, that all legislation passed after the opposition Republican Peoples' Party split last spring is unconstitutional. This would further delay the government's program and do nothing to enhance the prestige of the assembly.

Demirel has come a long way in the past two years toward establishing himself, his party, and his concept of democracy. Nonetheless, he still faces pressures of factionalism within his own party and the lingering uncertainties of the postrevolutionary period. Basically, he is a moderate and is intent on unifying the nation and building it into a modern Western-type country. Most of those aligned against him in his party are either ultraconservatives, revanchists, or religious reactionaries. Any of these groups, regardless of size, could hinder his forward-looking program by promoting dissension within the party. He, therefore, probably will move to neutralize the larger groups and, at the same time, strengthen his own moderate front both within the party and within the government.

25X1

SECRET

## NIGERIA'S CIVIL WAR INTENSIFIES IN HEAVY FIGHTING

Biafran resistance has slowed the federal advance into the Ibo heartland and has produced the heaviest fighting to date in the Nigerian civil war.

The federal brigade which crossed the mile-wide Niger River at Onitsha on the night of 12 October suffered heavy casualties--1,000 or more killed. At last report, federal troops were struggling to reinforce a small beachhead on the Onitsha side of the river. The Niger bridge has been blown up on the eastern side and is presently unusable.

In the vicinity of Enugu, federal troops have driven east and captured the airport--where they found a disabled Biafran B-26. They were stopped, however, at Emene by stiff Biafran resistance. Ibo troops there destroyed

an important bridge, which will slow the federal advance because bridging equipment is scarce. Federal forces may be readying a push on Nkalagu from the north, with the aim of cutting the Enugu-Abakaliki road.

A federal amphibious force has landed at Calabar, which appears to be only lightly defended.

[redacted] the port town--into which some Biafran arms had been shipped--has been captured.

25X1

The federal air force has continued its daily sorties against targets throughout Biafra, but thus far the assortment of MIGs, L-29s, Provosts, and DC-3s have not had a substantial effect on the course of the war. On 12 October, one L-29 jet crashed on take-off at Benin City, killing its Nigerian pilot. [redacted]

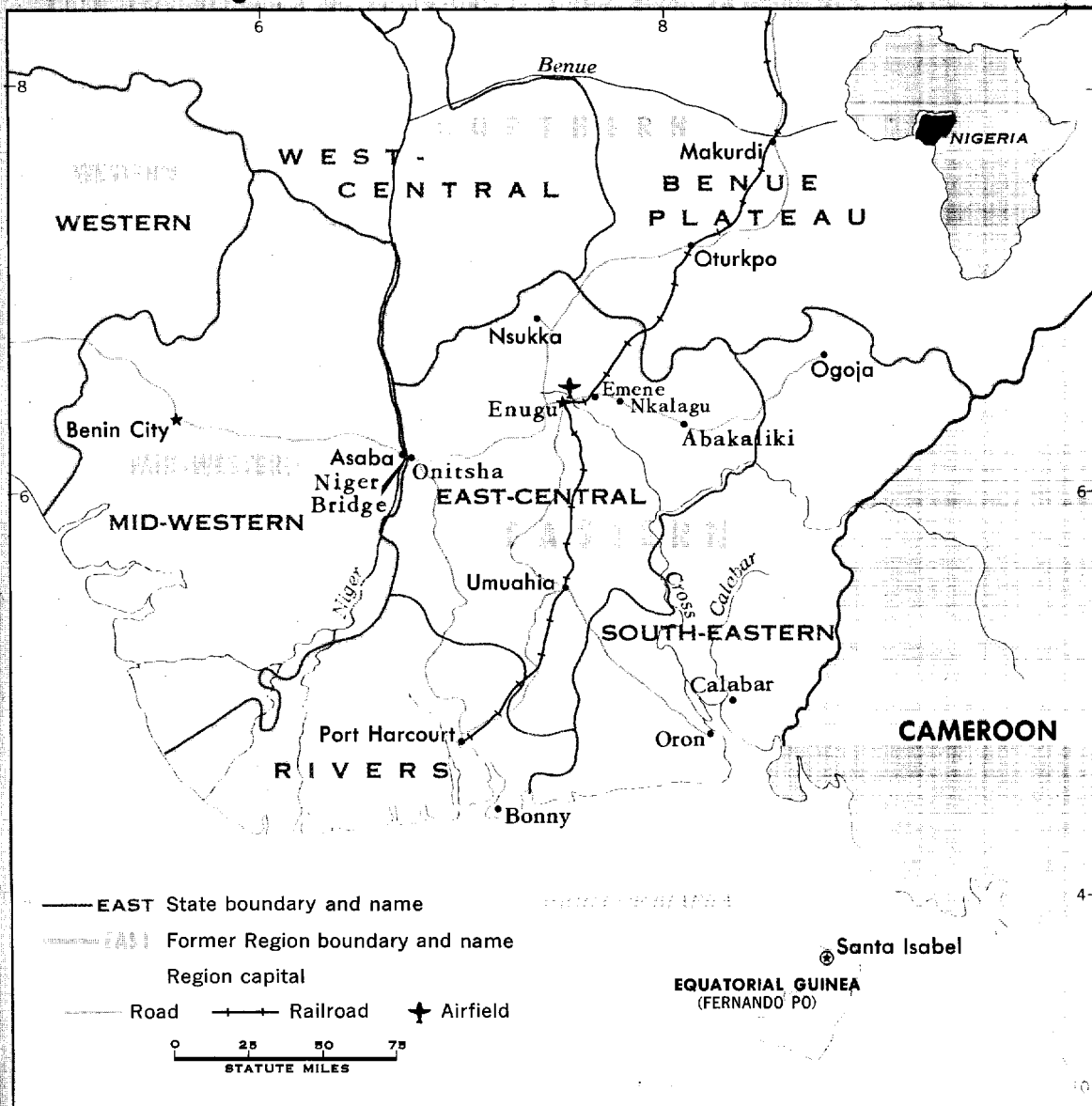
25X1

\* \* \*

SECRET

SECRET

# Scene of Nigerian Civil War



68368 10-67

SECRET

## GOVERNMENT CHANGES IN AFGHANISTAN

The resignation of Afghan Prime Minister Maiwandwal on 11 October probably will be followed by the appointment of conservative Deputy Prime Minister Nur Etemadi as his successor. The ailing Maiwandwal, now in the US for medical treatment, temporarily continues as titular prime minister. A cabinet minister has been designated acting prime minister until the appointment is officially announced.

The King apparently decided to delay the announcement of the new prime minister in order to consult the lower house of Parliament which must approve the appointment of the prime minister and his cabinet. Even though the King could probably railroad his selections through the house which reconvened on 15 October, he apparently wishes to avoid the kind of acrimony that frequently disrupted relations between Parliament and the Maiwandwal cabinet when the deputies believed they were not fully consulted about major decisions. Despite the King's caution, executive legislative relations might not improve substantially under Etemadi.

Etemadi would be unlikely to make any major changes in Afghanistan's domestic and foreign policies. His appointment would affect political alignments within Afghanistan, however, particularly those associated with recent attempts to form political parties.

Although political parties are prohibited until the enabling legislation is passed, Maiwandwal had been attempting to form a party loyal to the government in order to facilitate passage of his programs. His efforts brought sharp criticism from members of the cabinet, including Etemadi himself. Etemadi would probably be loath to engage in party organizing and thus might abandon the field to leftist circles to continue recruiting members. This could put the government at a disadvantage when the bill allowing parties is finally approved.

Etemadi's appointment probably would not lead to any major policy changes in Afghanistan's avowed policy of neutrality toward Communist and Western countries. As a leading advocate of Pushtunistan--self-determination for Pushtun tribes in West Pakistan--his hard-line attitude may auger ill for Afghanistan's relations with Pakistan which are now barely correct.



NUR AHMED ETEMADI

SECRET

SECRET

## WESTERN HEMISPHERE

Che Guevara's death and its implications continue to be the major topic of interest in Latin America.

Extreme rightists and extreme leftists are, respectively, elated and dejected, but little action has yet taken place. Security forces in most Latin American countries, however, are anticipating mock funerals and other commemorative demonstrations by students and other youth groups and are bracing themselves for possible action in the streets of the major cities.

The Latin American Continental Students' Organization in Havana has urged student groups to decree a state of mourning at their universities and to follow Guevara's example by "redoubling the anti-imperialist struggle."

Fidel Castro, in eulogizing Guevara, acknowledged that his death was a tremendous blow for the revolutionary movement but called it a stroke of luck for the imperialists and predicted that "new commanders will rise from the ranks and files of the people" to take Guevara's place.

In Uruguay, strikes and work stoppages are easing off in the face of strong government action against Communist-inspired labor agitation. In Peru, however, the government has been forced to grant a 10-percent wage boost and is under pressure for a larger increase to offset the effects of devaluation.

Plans for demonstrations in Argentina on the anniversary of Juan Peron's release from prison on 17 October 1945 fizzled, illustrating the lack of solidarity among the ex-dictator's followers. 25X1

25X1

SECRET

## EFFECTS OF "CHE" GUEVARA'S DEATH

The death of Ernesto "Che" Guevara at the hands of the Bolivian Army has dealt the Cuban-sponsored guerrilla movement in Latin America its sharpest blow to date.

Documents seized over the past several months indicate that Guevara entered Bolivia in November 1966 and was still in the process of organizing and training a guerrilla band when forced into combat with an army patrol the following March. Although the first series of contacts with Bolivian troops resulted in one-sided victories for the guerrillas, the tide gradually turned, culminating in Guevara's capture on 8 October and his death the next day. Circumstances surrounding his death are still clouded but it is probable that Guevara, injured in the fighting, was captured alive and later executed by the army.

Fidel Castro admitted Guevara's presence in Bolivia on 15 October when he delivered a somber and emotional two-hour speech, conceding: "We have reached the conclusion that these news reports concerning the death of Major Ernesto Guevara are sadly true."

The remaining guerrillas in Guevara's band are under strong pressure from the Bolivian Army, which is continuing its mop-up operations. The guerrillas, now under the leadership of Guido "Inti" Peredo, are few in number and are reportedly short of food and ammunition.

Castro apparently has written them off as an effective fighting force. In his speech he said: "There is no question but that the guerrilla movement in Bolivia is in a phase in which the survival of the guerrillas depends basically on their own capacity, depends on their own strength...." So it is a matter of survival rather than of military capability.

Castro has certainly been dealt a severe psychological reverse. Cuban involvement with the insurgents and Havana's known desire to make Bolivia an example of victorious "armed struggle" are well documented. Guevara's death will further dissipate the myth of guerrilla invincibility and will dim the enthusiasm of other

SECRET



revolutionaries in Bolivia and elsewhere in Latin America who may have been considering initiating guerrilla activities. The removal from the scene of Latin America's leading exponent of guerrilla warfare and the shattering of his insurgent band come at a time when the rebel groups in Venezuela, Colombia, and Guatemala are

also suffering reverses at the hands of the military forces.

Castro, however, is unlikely to discontinue his policy of exporting revolution in the face of these reverses. Furthermore, Latin America's economic and social conditions will remain fertile ground for the growth of insurgency.

25X1

## POLITICAL AND ECONOMIC DEVELOPMENTS IN URUGUAY

The Uruguayan Government is continuing its hard line on Communist-inspired labor agitation. Strikes and work stoppages have diminished.

Foreign Minister Luisi has taken advantage of last week's cabinet resignations to press President Gestido for changes in economic policy.

Some of the administration's most avid proponents of strong central economic controls were among those who resigned to protest the government's hard line on labor. In their absence Luisi and his supporters in the cabinet and in the President's economic team have begun drawing up a new economic program. They recognize the importance of reaching a stand-by agreement

with the International Monetary Fund (IMF) and in an attempt to do so will presumably defer to IMF recommendations for less reliance on central controls. The head of the central bank recently traveled to Buenos Aires to meet with the fund's director-general and returned optimistic regarding an eventual agreement.

In the hope of making his program work without turning to the political opposition, Luisi is trying to bring the most powerful faction of Gestido's divided Colorado Party back into the government. His prospects are improved by indications that individuals close to Jorge Batlle, the faction's leader, also appear to be seeking a political accommodation.

25X1

SECRET

25X1

Approved For Release 2007/03/08 : CIA-RDP79-00927A006100020001-4

Approved For Release 2007/03/08 : CIA-RDP79-00927A006100020001-4

**Secret** Approved For Release 2007/03/08 : CIA-RDP79-00927A006100020001-4

**Secret**

Approved For Release 2007/03/08 : CIA-RDP79-00927A006100020001-4